

Message Text

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15

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TAGS: AORG AFIN ABUD, UN

SUBJ: FINANCES: FIFTH COMMITTEE DISCUSSES SCALE OF ASSESSMENTS
AND BUDGET MACHINERY

REF: USUN 5010

1. SUMMARY: AT 1714TH MEETING ON OCT 15, FIFTH COMMITTEE HEARD 15 DELS AND CONTRIBUTIONS COMMITTEE CHAIRMAN AMJED ALI ON SCALE OF ASSESSMENTS (AGENDA ITEM 102). COMMITTEE THEN TOOK NOTE OF REPORT OF CONTRIBUTIONS COMMITTEE (A/10011) AND ADOPTED RESOLUTION RE NON-EMBER ASSESSEMENTS BY VOTE OF 97-0-0. COMMITTEE THEN RESUMED DISCUSSION OF PROGRAM AND BUDGET MACHINERY (AGENDA ITEM 97) AND HEARD AMENDMENTS PROPOSED BY BELGIUM AND ALGERIA. AT NEXT MEETING OCT 16, COMMITTEE WILL RESUME CONSIDERATION OF AGENDA ITEM 97, THEN TAKE UP BUDGET SECTION 22 (ADMINISTRATION) AND THEN BUDGET SECTION 6-10(REGIONAL COMMISSIONS). END SUMMARY

2. ITEM 102 (SCALE OF ASSESSMENTS): LIBYA REP REGRETTED THE NON AVAILABILITY OF RELIABLE DATA ON PRICE CHANGES AND EXCHANGE RATES FOR 1974 WHEN THE COMMITTEE ON CONTRIBUTIONS MET THIS SPRING AND HOPED IT WOULD BE AVAILABLE TO COMMITTEE IN 1976.

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3. INDIAN REP SUPPORTED RECOMMENDATION OF COMMITTEE ON CONTRIBUTIONS IN PARA 17 OF ITS REPORT (A/10111) AND AMENDMENTS TO FINANCIAL REGULATIONS IT PROPOSED. HE OPPOSED DEVIATION FROM PRINCIPLE OF CAPACITY TO PAY, AND SAID SPECIAL ATTENTION SHOULD BE GIVEN TO COUNTRIES WITH PER CAPITA INCOME BELOW \$300. FURTHER SUGGESTED THAT SCALE BE CHANGED EVERY TWO YEARS, RATHER THAN THREE, WHICH WOULD BE MORE ACCURATE REFLECTION OF ECONOMIC SITUATIONS. IRAN REP AGREED WITH RECOMMENDATIONS AND OBSERVATIONS OF COMMITTEE ON CONTRIBUTIONS, AND HOPED COMMITTEE WHEN DRAWING UP ITS NEXT SCALE WOULD TAKE INTO ACCOUNT THE THRUST OF DEVELOPING COUNTRIES TO BUILD UP THEIR INFRASTRUCTURE AND COPE WITH ECONOMIC SITUATION.

4. ALGERIA REP SAID THIRD WORLD COUNTRIES ARE VICTIMS OF CRISIS BORN AND DEVELOPED IN INDUSTRIALIZED COUNTRIES; INFLATION AND HIGH COST OF IMPORTS HAVE COMPROMISED THEIR CAPACITY TO PAY; HOPED COMMITTEE ON CONTRIBUTIONS WOULD DEAL WITH LONG-TERM PERSPECTIVE IN 1976 AND ESTABLISH AN EQUITABLE SCALE. ARGENTINA REP AGREED WITH ALGERIAN THAT DEVELOPING COUNTRIES SUFFER MOST; THEIR AVERAGE INCOME DOES NOT INCREASE, BUT PRICES OF MANUFACTURED GOODS DO; LATIN AMERICA IS ESPECIALLY VULNERABLE. SAID BASIC PRINCIPLE OF CAPACITY TO PAY SHOULD BE ONLY VALID CRITERION FOR ASSESSMENT OF CONTRIBUTIONS OF MEMBER STATES.

5. IRAQ REP SAID COMMITTEE'S REPORT LACKS ANALYSIS OF SITUATIONS IN DEVELOPING COUNTRIES; RE OIL-PRODUCING COUNTRIES IN GENERAL, PER CAPITA INCOME IS A CAMOUFLAGE; WANTS OTHER CRITERIA INCORPORATED IN FUTURE REPORTS, AND SAID ACCOUNT SHOULD BE TAKEN OF OTHER VARIABLES. ITALY REP PROPOSED BIENNIAL OR QUADRENNIAL SCALE TO HARMONIZE WITH BIENNIAL BUDGET.

6. BANGLADESH REP SAID ITS PER CAPITA INCOME IS AMONG LOWEST IN WORLD; IN ADDITION, IT SUFFERED A DEVASTATING CYCLONE, TIDAL WAVE, AND FLOOD; FIGURES BEHIND ESTIMATES OF COMMITTEE ON CONTRIBUTIONS FOR BANGLADESH ARE TOO OPTIMISTIC, AND DIFFER FROM THOSE OF WORLD BANK; BANGLADESH UNCLASSIFIED

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IS ONLY MOST SERIOUSLY AFFECTED (MSA) COUNTRY NOT ASSESSED AT LOWEST RATE OF .02 PERCENT, AND ITS RATE SHOULD BE LOWERED FROM .08 PERCENT TO .02 PERCENT TO BRING IT IN LINE WITH HARD CORE LEAST DEVELOPED COUNTRIES AND MSAS.

7. KUWAIT AND VENEZUELA DELS ECHOED OTHER OIL-PRODUCING COUNTRIES, WHICH PLEADED THAT PER CAPITA INCOME SHOULD NOT BE MAIN FACTOR IN DETERMINING CAPACITY TO PAY. THESE

DEVELOPING COUNTRIES LACK SKILLED LABOR, AND THEIR ECONOMIES HAVE OTHER STRUCTURAL PROBLEMS WHICH SHOULD BE TAKEN INTO ACCOUNT.

8. PAKISTAN DEL SAID COMMITTEE ON CONTRIBUTIONS WAS TYRING TO PRODUCE EQUITABLE SHARING OF BURDENS. HE SAID OIL PRODUCERS HAVE NOT HESITATED TO USE THEIR NEW ECONOMIC POWER TO HELP OTHER DEVELOPING COUNTRIES. HE ALSO EMPHASIZED IMPORTANCE OF EXTERNAL DEBT IN ASSESSING CAPACITY TO PAY. OTHER DELS RAISED MINOR TECHNICAL QUESTIONS.

9. CONTRIBUTIONS COMMITTEE CHAIRMAN AMJED ALI EMPHASIZED THAT COMMITTEE DID TAKE ACCOUNT OF MANY FACTORS BESIDES PER CAPITA INCOME IN ARRIVING AT ASSESSMENT LEVELS AND HAD RECENTLY GIVEN MORE ATTENTION TO EXTERNAL DEBT, EXCHANGE RATES AND NATURAL DISASTERS, AS WELL AS EXAMINING MORE INDIRECT INDICATORS, SUCH AS FOOD CONSUMPTION, ENERGY CONSUMPTION, NON-AGRICULTURAL PRODUCTION, LITERACY, ETC.

10. COMMITTEE THEN ADOPTED DRAFT RESOLUTION PROPOSED BY COMMITTEE ON CONTRIBUTIONS RE NON-MEMBER ASSESSMENTS.

11. RE INTERGOVERNMENTAL AND EXPERT MACHINERY ON PROGRAMS AND BUDGETS (AGENDA ITEM 97) BELGIUM DEL PROPOSED AMENDMENT OF DRAFT RESOLUTION (A/C.5/L.1227/REV. 1), SUGGESTING THAT GENERAL ASSEMBLY SHOULD WELCOME WORKING GROUP REPORT AND RECOMMENDATIONS, IN PARTICULAR, RECOMMENDATIONS, 1, 2 AND 3.

12. ALGERIA THEN PROPOSED ADDING A NEW PARA BETWEEN PARAS 7 AND 8 AS FOLLOWS:

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"REQUESTS THE AD HOC COMMITTEE TO EXAMINE THE
"ROLE OF THE ACABQ WITHIN THE CONTEXT OF POSSIBLE
MODIFICATIONS IN THE STRUCTURE AND FUNCTIONING OF
THE UNITED NATIONS, INCLUDING INTER ALIA THE
MANDATE AND COMPOSITION OF THE ACABQ."

SCHMIDT (FRG) SAID COSPONSORS AGREE WITH BELGIUM THAT ECOSOC SHOULD TAKE ACTION ON WG RECOMMENDATIONS AT ITS ORGANIZATIONAL SESSION IN JANUARY 1976. ASG DEBATIN SUGGESTED THAT PARA 2 SHOULD BE AMENDED TO SHOW THAT MEDIUM-TERM PLAN WOULD COVER FIVE YEARS (1977-81), RATHER THAN FOUR YEARS (1978-1981).
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